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FISCAL IMPACT STATEMENT

LS 6311

BILL NUMBER: HB 1096

NOTE PREPARED: Jan 2, 2012

BILL AMENDED:

SUBJECT: Plumbing Matters.

FIRST AUTHOR: Rep. Niezgodski

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: *Water Pollution Control Board Rules-* The bill requires the Water Pollution Control Board (WPCB) to adopt rules establishing procedures for keeping testing and maintenance records of backflow prevention devices in a customer water system.

Cross-Connection Control Inspectors- The bill requires continuing professional education for an Indiana registered cross-connection control device inspector.

Journeyman Plumbers- The bill requires continuing professional education for journeyman plumbers.

Continuing Education Fund- The bill establishes the Cross-Connection Control Device Inspector Continuing Education Fund.

Fees- The bill provides that the WPCB may establish registration fees in an amount that is reasonably necessary to generate revenue sufficient to offset costs.

Water Pollution Control Board Rules- The bill requires the WPCB to establish rules to require a cross-connection control device inspector to indicate in their report whether a commercial or residential water distribution system contains moisture sensing technology.

Verifying Journeyman Plumber's Continuing Education- The bill allows an individual to renew a cross-connection control device inspector's or journeyman plumber's license by verifying compliance with certain professional education requirements.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *Water Pollution Control Board Rules-* The WPCB would be able to adopt the rules necessary for the requirements of the bill within the course of the regular business meetings scheduled for the WPCB.

Cross-Connection Control Inspectors- This provision would cost the Indiana Department of Environmental Management (IDEM) approximately \$145,000 per year to implement and maintain a continuing education program with two hours of continuing education per registered inspector every two years. Costs would be offset by fees (See *State Revenue* below.) The main cost to IDEM would be the auditing of registered inspectors for compliance. New rules would be required to implement the continuing education program. However, the new rules could likely be implemented within the course of a regular meeting of the WPCB.

Journeyman Plumbers- This provision would have an indeterminable impact on Professional Licensing Agency (PLA) expenditures. The two main expenditures for the PLA would be continuing education audits for journeyman plumbers and discipline procedures for noncompliant plumbers. Additionally, the Plumbing Commission may require additional meetings at the subcommittee level to develop rule language for a continuing education program.

Background Information- *Cross-Connection Control Inspectors-* Initial applicants must attend 40 hours of education and successfully complete a written and oral examination for cross-connection device inspectors administered by a training provider. There are approximately 4,000 active registered cross-connection inspectors.

Journeyman Plumbers- As of September 2011, there were 4,933 journeyman plumbers with an active license.

Explanation of State Revenues: *Fees-* The bill provides that registration fees may not be set higher than the level sufficient to cover the cost of IDEM to administer the program. The fee would not exceed \$50 per person that is not included on the cross-connection inspectors list during the six months preceding the person's registration, and would not exceed \$30 for a person included on the list during the six months preceding the person's registration. Assuming all current registered inspectors paid a renewal fee of \$30, the revenue for renewals from existing inspectors would be approximately \$120,000. However, the precise revenue amount would depend on the number of registrations and the fee level set by IDEM. This estimate also does not incorporate potential fee revenue from new inspectors.

Fees would be deposited into the Cross-Connection Control Device Inspector Continuing Education Fund, established by the bill. Money in the fund may be used to administer the cross-connection control device inspector continuing education program, provide registration cards to inspectors, and to maintain and update an inspector data base.

Background Information- Total plumbing license revenue was \$61,117 in FY 2011 and \$598,872 in FY 2010. Plumbing license fee revenue is deposited in the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IDEM, PLA, Plumbing Commission, Water Pollution Control Board.

Local Agencies Affected:

Information Sources: Professional Licensing Agency active license counts 9/13/2011; Brad Baughn, Nancy King, Indiana Department of Environmental Management; *Indiana Handbook of Taxes, Revenues, and Appropriations FY 2011 Edition*; 327 IAC 8-10-11.

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